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(New York) - Today, Congressman Albio Sires, member of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises of the House of Representatives Financial Services Committee, attended a public hearing today in Manhattan City Council Chambers. The hearing, entitled "The Need to Extend the Terrorism Risk Insurance Act", consisted of two panels of witnesses that included federal, state, and local officials as well as developers, brokers, insurers and lenders affected by the imminent end of TRIA, the two-year extension of the government backstop on December 31, 2007.

After the events of 9-11, insurers cannot estimate the financial risk of a terror attack and are unable to price their product. They would be forced to set very high prices or withdraw from the marketplace. The Terrorism Risk Insurance Act, a public-private partnership, allows insurers and lenders to continue to offer services. The extension of the Federal backstop also deters developers from delaying construction projects close to the TRIA extension deadline for fear of not being able to secure the financial services they need.

"TRIA has been successful. It has allowed real estate investors, mortgage brokers and insurers to offer services, and developers to plan the construction projects that help create thousands of jobs," said Congressman Sires. "Terrorism risk is the reality of our post-9-11 world and we should continue to look for a permanent solution to this financial challenge."

The hearing also focused on the lack of coverage for nuclear, biological, chemical, and radioactive terrorist threats in the insurance market, and the need to modify TRIA to include homegrown terrorist attacks.